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Attorney for Debtors

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF ARIZONA**

In re:)	In Proceedings Under
)	Chapter Seven
VICTOR ISAAC CELAYA)	
SS#)	Case No. 2:17-bk-09426-EPB
)	
and)	
)	DEBTORS' BRIEF IS SUPPORT
MICHELLE NICOLE CELAYA,)	OF HARDSHIP DISCHARGE OF
SS#)	CHAPTER THIRTEEN PROCEEDING
)	
Debtors.)	

COME NOW the Debtors, Victor Isaac Celaya and Michelle Nicole Celaya, by and through their counsel undersigned, hereby submits to this Court their Brief in support of Granting the Hardship Discharge of their Chapter Thirteen Proceeding, for the following reasons:

I. FACTUAL BACKGROUND

1. On August 14, 2017, the Debtor's filed a Chapter Thirteen bankruptcy proceeding with this Court in an effort to reorganize their debts.

2. At the time of filing, the Debtors were living with Mrs. Celaya's mother and paying \$535.00 as for rent.

3. Mr. Celaya is unemployed and is a stay at home parent and takes care of their three daughters of 8, 10, and 11 years of age. Mrs. Celaya is employed by Wells Fargo Bank, for over 12 years, as an Operations Processor. At the time of filing Mrs. Celaya's net income was \$2,264.00. The Debtors also were allowed to apply \$500.00 per month of earned income credit towards their income, for a total income of \$2,764.00, with average monthly expenses of \$2,363.00.

1 4. Mrs. Celaya's current net monthly income is \$2,798.90, with \$600.00 as for earned
2 income credit, for a total income of \$3,398.90. Their current monthly expenses total 3,752.00.

3 5. Recently, because of frictions between family members, the Debtors had to arrange
4 other living arrangements and obtained a housing rental in the amount of \$1,475.00. Because of
5 this their average monthly expenses has risen to \$3,752.00, leaving a net negative income of
6 \$353.10.

7 6. Even though Mrs. Celaya's income has increased over the last three years their
8 average monthly expenses has substantially increased leaving the Debtors with no income to now
9 fund a Chapter 13 Plan.

10 **II. ANALYSIS**

11 7. Based upon the Debtors current situation, they are unable to complete the payments
12 due under the confirmed plan. This failure is due to circumstances for which the Debtors should
13 not justifiably be held accountable. 11 U.S.C. §1328(b)(1).

14 8. The Debtors are surrendering the secured vehicle to the creditor which has an Oder
15 lifting the bankruptcy stay and will be paying the priority tax of \$313.00 to the IRS.

16 9. The Debtors have no nonexempt property and the value of property actually
17 distributed under the plan on account of each allowed unsecured claim is not less then the
18 amount that would have been paid on such claim if the estate of the debtors had been liquidated
19 under Chapter Seven of this title on such date. 11 U.S.C. §1328(b)(2).

20 10. Based upon the Debtors current income and expenses, modification of the confirmed
21 Chapter Thirteen Plan under 11 U.S.C. §1329 is not practicable, 11 U.S.C. §1329(b)(3).

22 DATED this 3rd day of March, 2021.

23 COX LAW OFFICES

24 /s/ Jeffrey Cox 26953

25 Jeffrey Cox
26 Attorney for Debtors
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